

OES-Director

From: HOLSTEINS@ACSWORLD.COM%inter2 [HOLSTEINS@ACSWORLD.COM]
Sent: Thursday, May 19, 2005 3:38 PM
To: Johanns, Mike
Subject: Support the USDA Producer Handler Decision

OFFICE OF THE EXECUTIVE
SECRETARIAT, USDA

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May 19, 2005

The Honorable Mike Johanns
Secretary of Agriculture
1400 Independence Ave., S.W.
Rm. 200-A Whitten Bldg.
Washington, DC 20250

Dear Secretary Johanns:

I support the prompt implementation of the recommended decision published in the Federal Register of April 13, 2005, Docket Nos. AO-368-A32, AO-271-A37 that would limit the producer-handler exemption to those producer-handlers with less than 3 million pounds of route disposition of fluid milk products per month within the marketing area.

The current, unlimited producer-handler exemption violates the principle of producer equity upon which the federal order system rests. Evidence in the hearing record demonstrates that the current exemption skews the system to afford a few larger producer-handlers a significant and unwarranted price advantage over other producers.

The exemption also threatens orderly marketing. Farms with over 3 million pounds of monthly production now produce more than 20% of the U.S. milk supply, which is more than half of U.S. fluid milk sales. The number of dairy farms of this size is increasing every year. If the producer-handler exemption remained unlimited, and such large farms would be encouraged to become producer-handlers and operate under the current exemption; this would destabilize U.S. markets and undermine the federal order system.

Given the inequity inherent in the current producer-handler exemption, it is urgent that the Secretary implement a final decision as soon as possible.

Sincerely,

J. LOREN YODER
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